

CITY OF RIVERSIDE

BOARD OF PUBLIC UTILITIES

Minutes of: Regular Meeting of the Board of Public Utilities

Date of Meeting: May 20, 2005

Time of Meeting: 8:15 a.m. (began at 8:17 a.m.)

Place of Meeting: Art Pick Council Chamber, City Hall
3900 Main Street (at Tenth & Main Streets)
Riverside, California

PLEDGE OF ALLEGIANCE TO THE FLAG

Roll Call

Present:	Jim Anderson (Vice Chair)	Lalit Acharya
	Bob Stockton	Conrad Newberry, Jr., P.E.
	David Barnhart	Ken Sutter
	Joe Tavaglione	

Absent: Peter Hubbard (Chairman) (absence due to business)

MINUTES

- (1) The regular meeting minutes from the Board of Public Utilities meeting held on May 6, 2005 was approved as submitted.

Motion: – Newberry, Jr., P.E. Second: – Tavaglione.

Ayes: Anderson, Barnhart, Stockton, Newberry, Jr., P.E., Acharya.
Tavaglione, and Ken Sutter.

Noes: None

Abstain: None

Absent: Hubbard (absence due to business)

CITIZENS PARTICIPATION

No comments were made.

COMMITTEE REPORTS

ELECTRIC COMMITTEE REPORT

The Electric Committee meeting scheduled on May 11, 2005 was cancelled.

CONSENT CALENDAR

A motion was made to approve the following items on the Consent Calendar with the exception of Item 3, **ACQUISITION OF FIVE EASEMENTS FOR THE WATERMAN AVENUE PIPELINE IMPROVEMENT PROJECT – WESTERLY OF WATERMAN AVENUE BETWEEN MILL AND VALLEY STREETS IN SAN BERNARDINO**, which was moved to the Discussion Calendar.

Motion: – Barnhart. Second: – Tavaglione.

Ayes: Anderson, Barnhart, Stockton, Newberry, Jr., P.E., Acharya, Tavaglione, and Ken Sutter.

Noes: None

Abstain: None

Absent: Hubbard (absence due to business)

The Board of Public Utilities:

ELECTRIC ITEMS

(2) 12 kV UNDERGROUND LINE EXTENSION WORK ORDER 644139

Approved the estimated capital expenditure of \$175,000 to install underground primary line extensions and services to 123 Single Family Residences (Tract 31801) located at Martin Luther King Boulevard, Ottawa Avenue, and Chicago Avenue.

Funds are budgeted and available for this project in the Distribution Line Extensions account and Major Tract Distribution account and will be predominantly reimbursed by the developer.

WATER ITEMS

(3) MOVED TO DISCUSSION

OTHER ITEMS

(4) BI-ANNUAL PROGRESS REPORT REGARDING AMIES COMMUNICATIONS SCOPE OF WORK ACCOMPLISHMENTS FROM NOVEMBER 2004 – APRIL 2005

Received this update and did not provide any comments or concerns related to the first six months of contract execution.

DISCUSSION CALENDAR

(3) **ACQUISITION OF FIVE EASEMENTS FOR THE WATERMAN AVENUE PIPELINE IMPROVEMENT PROJECT – WESTERLY OF WATERMAN AVENUE BETWEEN MILL AND VALLEY STREETS IN SAN BERNARDINO**

Board Member Jim Anderson requested that this item be placed on the Discussion Calendar to discuss the location of the easements to be sure there were no conflict of interests with the Board members. After reviewing two area maps that were distributed to the Board members by Assistant Director/Water Dieter Wirtzfeld, it was determined there were no conflict of interests.

The Board of Public Utilities:

1. Approved and recommended that the City Council approve and set the just compensation for the acquisition of the easements at \$112,425, the appraised value, and authorize staff to make the necessary offers to the four property owners; and
2. Approved and recommended that the City Council authorize the City Manager, or his designee, to execute the documents necessary to conclude the transactions.

Motion: – Barnhart. Second: – Tavaglione.

Ayes: Anderson, Barnhart, Stockton, Newberry, Jr., P.E., Acharya.
Tavaglione, and Ken Sutter.

Noes: None

Abstain: None

Absent: Hubbard (absence due to business)

(5) **SECOND AMENDMENT TO UTILITY AGREEMENT NO. 19755**

Senior Water Engineer Ernie Marquez reported to the Board that the original agreement with Caltrans for the 60/91/215 Interchange included a change order allocation of 25% above the contract amount, but Caltrans' policy only allows one "final payment" for amounts above the contract amount. Therefore, staff recommends the adoption of a second amendment to the contract so that RPU will not have to front its own funds for any costs until the project is completed, which could take up to one year or more.

Additionally, Board Member Tavaglione reassured staff that Caltrans is very happy with the working partnership with the City of Riverside Public Utilities.

The Board of Public Utilities approved and recommended that the City Council:

1. Approve the second amendment to Utility Agreement No. 19755 with Caltrans for the relocation of Riverside Public Utilities water facilities increasing the amount of Utility Agreement No. 19755 to \$8,294,000;
2. Authorize the increase in appropriations in the amount of \$1,176,500 to the Caltrans Relocation Account No. 6230000-470790;
3. Authorize the increase in estimated revenues in the amount of \$1,176,500 to Account No. 0000520-375023; and
4. Authorize the City Manager, or his designee, to execute the necessary documents.

Motion: – Tavaglione. Second: – Stockton.

Ayes: Anderson, Barnhart, Stockton, Newberry, Jr., P.E., Acharya.
Tavaglione, and Ken Sutter.

Noes: None

Abstain: None

Absent: Hubbard (absence due to business)

(6) ADOPT A METER READING STRATEGY FOR RESIDENTIAL ACCOUNTS THAT INCLUDES SCHEDULED ESTIMATED BILLS AS AN INTERIM SOLUTION TO FIELD SERVICES PERSONNEL SHORTAGE AND RECOMMEND APPROVAL OF ADDITIONAL TWO METER READERS FOR FISCAL YEAR 2005-06

Director Dave Wright reported that due to employee injuries the Field Services' ability to meet the monthly meter reading/billing schedule has been jeopardized and staff is requesting two additional meter readers be hired now for the 2005-06 fiscal year instead of the 2006-07 fiscal year.

Director Wright also explained an interim solution procedure requiring the estimating of a portion of residential accounts each month until the two new meter readers are hired. Accounts would be rotated so each month different customers would receive an estimated bill. This will minimize customer impact. Commercial accounts will continue to read monthly. Customers will still be billed monthly with no cash flow impacts. The interim period will be for May and June for approximately 10,000 to 12,000 customers out of 100,000 customers. Mr. Wright stated estimating bills are a regular monthly procedure when a reading cannot be taken because of dogs, high foliage, etc.

Automated Meter Reading and a bi-monthly reading approach for all residential

meters are being reviewed at this time. Board Member Newberry, Jr., P.E. stated he would like to stick with an accurate system so that customers can see real-time usage so they may be able to conserve energy when necessary.

Board Member Stockton suggested cross-training staff for meter reading. Mr. Wright replied that staff has been crossed trained but that hasn't resolved the problem.

The Board of Public Utilities approved estimating a portion of residential accounts each month as an interim solution while two additional meter reader positions are approved, hired, and trained.

Motion: – Tavaglione. Second: – Acharya.

Ayes: Anderson, Barnhart, Stockton, Newberry, Jr., P.E., Acharya.
Tavaglione, and Ken Sutter.

Noes: None

Abstain: None

Absent: Hubbard (absence due to business)

(7) ECONOMIC DEVELOPMENT RATE BENEFITS PRESENTATION

Economic Development/Legislative Affairs Manager Gerald Buydos gave a PowerPoint presentation on the economic development incentive programs that the utility offers. There are two primary programs: (1) reduced tariff for large electric users and (2) reduced cost for fiber optic connections. The purpose is to promote customer savings and City economic development. The approval process is a 45-day process and implementation is flexible to meet the customer's needs. Each company gets personalized rate evaluation and customized analysis.

The economic development rate is a four-year contract:

1st year of the rate is 40 percent off of base cost

2nd year of the rate is 20 percent off of the base cost

3rd & 4th year is guaranteed not-to-exceed a 5 percent rate increase

If the company expands their business, the company can reenter into another contract. There is a business criteria list that a company must meet to participate in this program.

The Board of Public Utilities received and filed this presentation.

(8) WATER CONSERVATION AND RECLAMATION SURCHARGE

Interim Programs and Services Manager Mike Bacich gave a report on the long-term strategy of how the water conservation and reclamation surcharge are to be expended for the following categories:

1. Cost-effective program and services to promote efficient water use and water conservation.
2. New investment in water treatment and reclamation consistent with existing statutes and regulations.
3. Research, development, and demonstration programs for the public interest to advance science, technology, or conservation use.
4. Services provided for low-income water customers, including but not limited to targeted water conservation services and rate discounts.

Board Members were concerned that by customers conserving energy and water might cause a reduction in revenues to the city. Staff reassured the Board that the planned growth in Riverside would not adversely impact our revenue.

The Board of Public Utilities approved and recommended that the City Council adopt the Water Conservation Program long-term strategy.

Motion: – Stockton. Second: – Tavaglione.

Ayes: Anderson, Barnhart, Stockton, Newberry, Jr., P.E., Acharya.
Tavaglione, and Ken Sutter.

Noes: None

Abstain: None

Absent: Hubbard (absence due to business)

(9) COMMITTEE COMPOSITION AND ESTABLISHMENT OF THE PROPERTY COMMITTEE AS A PERMANENT STANDING COMMITTEE OF THE BOARD OF PUBLIC UTILITIES

Director Wright reported that the Board now has nine members so the committees can have up to four members, and suggested that the Property Committee be a permanent standing committee.

By establishing the Property Committee as a permanent standing committee, there would be four committees with three members each; two members constituting a quorum: Three members would be on two committees and the other six would be on one committee.

Also by phone discussion with Director Wright, Chair Hubbard requested to have Board Members Bob Stockton, Jim Anderson, and Ken Sutter be placed on the Property Committee.

Vice Chair Anderson asked if the Board can make a resolution to set the quorum number as they wish, for example a four-member committee could have a quorum

of two. Supervising Deputy City Attorney Eileen Teichert answered that the Board of Public Utilities has never adopted a set of rules and procedures that defines what a quorum would be, particularly for committees. She recommended that this issue be brought back to the Board in a resolution form and also possibly a host of other recommendations with respect to procedure to adopt that would follow the form that City Council has adopted. Ms. Teichert also stated that the City Charter does not prohibit Boards and Commissions from establishing their own procedures, including what constitutes a quorum.

Board Member Barnhart commented that at the committee level one learns a lot more of the electric / water technical issues and that the advantage of a four - member committee, with a quorum of two, would give more of the Board members exposure to the technical electric / water issues.

After further discussion, the Board of Public Utilities:

1. Approved to continue the practice to have three committee members; and
2. Approved to establish a permanent standing Property Committee.

Motion: – Newberry, Jr., P.E. Second: – Tavaglione.

Ayes: Anderson, Barnhart, Stockton, Newberry, Jr., P.E., Acharya.
Tavaglione, and Ken Sutter.

Noes: None

Abstain: None

Absent: Hubbard (absence due to business)

DIRECTOR'S REPORT

(A) Resources Update

Power Planning/Marketing Manager Steve Johnson gave a two-minute update on "resource adequacy", which means a showing in advance that resources have been lined up for utility to meet their peak demand requirements plus additional amounts of power so that the California ISO will not be short powered.

(B) Monthly Update of Goals

(C) Open and Closed Work Orders – April 2005

(D) Monthly Benchmark Report Cards – April 2005

(E) Water Highlights – April 2005

(F) Rolling Calendar Outlining Future Utility Projects as of May 13, 2005

(G) City Council Agendas – May 10, 2005 and May 17, 2005

SYSTEMATIC REPORTING ON CONFERENCES / SEMINARS / BOARD MEETINGS

CLOSED SESSION

The Board of Public Utilities moved the meeting to the Board Room at 9:23 a.m. to discuss Items 10 and 11 listed below:

CONFERENCE WITH LEGAL COUNSEL

- (10) Conference with Real Property Negotiators Government Code §54956.8
Property: 3460 Orange Street, Riverside
City Negotiator: David H. Wright
Negotiating Parties: Robert Norton
Under negotiation: Price and terms of payment
- (11) Conference with Legal Counsel – Anticipated Litigation Government Code §54956.9 (b) (One Case).

UPCOMING MEETING

Vice Chairman Jim Anderson adjourned the meeting at 9:47 a.m. to the next regularly scheduled meeting of the Board of Public Utilities to be held on **Friday, June 3, 2005**, at **8:15 a.m.** at the **Utilities Plaza Conference Room located at 3460 Orange Street (at Fifth and Orange Streets) in Riverside, California.**

By: _____
David H. Wright, Secretary
Board of Public Utilities

Approved by: City of Riverside Board of Public Utilities

Dated: June 3, 2005